

22
7293
~~SECRET~~

27 May 1949
52

PRESENT SOVIET TACTICS IN EUROPE

✓ The opening sessions of the Council of Foreign Ministers in Paris have done little more than reveal, in broad outline, the initial bargaining positions of the participants. The Soviet proposal that Germany be returned to four-power control came as no surprise and does not preclude subsequent Soviet concessions designed to achieve some sort of over-all agreement on Germany. Meanwhile, the Soviet decision to resume four-power talks on Germany has been accompanied by other Soviet moves which may reflect the Kremlin's recognition of the need for a shift in tactics in order to obtain Soviet objectives in Europe. The Greek "peace" offer, Albanian overtures to the West, and a generally more conciliatory Soviet attitude toward East-West trade all point to the possibility of a concerted Soviet campaign to reach a temporary truce on the continent. Steps taken thus far by the Kremlin toward fulfillment of such a truce, however, have been tentative and exploratory in nature and suggest that the door is still being left open for a return to more militant tactics in the event of a breakdown of the discussions on Germany.

✓ **Greek Offer** The Soviet Union's suggestions for attaining peace in Greece, as outlined in a TASS article of 19 May, are substantially the same as several propaganda "peace" offers previously made by the Greek guerrillas. The new aspect of this proposal, however, is the Soviet offer to participate in a big-power settlement in Greece, an offer which contains an implicit admission that the USSR can exert control over the guerrillas. The Soviet suggestion, which evoked prompt US and British refusals to participate in a "big-power deal" and set off a sharp Greek reaction, may represent one facet of an over-all Soviet shift in tactics. If the TASS announcement does represent the first move in such a gambit, then further moves of this sort will be forthcoming and the

- 2 -

~~SECRET~~

~~SECRET~~

Kremlin may soon evince a willingness to bargain in order to reach a "settlement" which would slacken the western hold on Greece. Seen in these terms, any intensification of guerrilla fighting must be regarded as a Communist attempt to dispel the notion that peace is being sought because of weakness.

Albanian Overtures Coinciding with the Kremlin's Greek "peace" offer, Albania has taken several steps to improve its relations with the West. The resumption of Albanian-Italian diplomatic relations has been followed by a feeler toward the re-establishment of diplomatic ties with the US and reported attempts to reach an out-of-court monetary settlement with the UK in the long-standing Corfu Channel case. The USSR has had little success in restoring economic prosperity in Albania or creating a stable political regime. The resumption of diplomatic relations between Albania and the West could serve as a first step toward restoring Albania's commercial ties with Western Europe and would also be a natural forerunner to any peace moves in Greece. The USSR may also be attempting to smooth the way toward Albania's membership in the United Nations.

East-West Trade Although the resumption of trade between the eastern and western zones of Germany was still being delayed by complex technical details and by the larger considerations before the CFM, Soviet bloc delegates at the recent Geneva session of the Economic Commission for Europe (ECE) maintained a notably mild attitude toward the West. This attitude probably reflects: (1) increasing Soviet concern over the faster economic recovery in Western than in Eastern Europe; and (2) a Soviet desire, in the event of an agreement at the CFM, to use the ECE as a means of promoting East-West trade and securing western aid.

- 3 -

~~SECRET~~